

COUNCIL AGENDA ITEM DETAIL SHEET

ISSUE: Inland Regional Center Conflict of Interest (COI) Waiver Request

SUMMARY: Amendments to the Lanterman Act made by AB 1595 resulted in redefining the Area Boards into Regional Advisory Committees, changing their appointment authority and scope. Under an interim process, the State Council on Developmental Disabilities (Council) is presented with a recommendation on the below conflict of interest resolution plan.

BACKGROUND: The Lanterman Act requires regional centers to submit conflict of interest statements and proposed resolution plans to the Department of Developmental Services (DDS) and the Council (W&I Code 4626(l)). Under the Act, the Director of DDS may waive conflict of interest requirements of a contracting agency (i.e., a regional center) with approval of the Council. (See W&I Code 4628.) Current DDS regulations address action by an Area Board in addition to action by the Council. The regulations also extend the Council's role to matters involving regional center employees and others. SCDD staff is currently in discussion with DDS to determine how to appropriately address these issues and waiver requests.

The Council is being presented with information reviewed under the existing SCDD criteria and interim process approved by the Council. This interim approach provides for staff analysis of regional center conflict of interest issues.

FACTS - IRC Board Member Sheela Stark: Sheela Stark is a member of the governing board of the Inland Regional Center (IRC). Ms. Stark has a sister who works for In Roads Creative Programs, Inc. (In Roads), an IRC provider. Ms. Stark's sister provides respite services to only their brother, a regional center client. The Council has not previously approved a waiver for Ms. Stark.

IRC serves more than 30,000 clients and there is likelihood that at least one of those individuals or their family members would have no conflict of interest and therefore be able to serve on IRC's board. The board

would still be able to conduct business with a quorum even if Ms. Stark did not serve on the board.

DISCUSSION:

Conflict of Interest: DDS Regulation 54520 provides, in part, that a conflict of interest exists when the board member, or a family member of a regional center board member, holds any of the below positions for a provider:

- (1) a governing board member;
 - (2) a board committee member;
 - (3) a director;
 - (4) an officer;
 - (5) an owner;
 - (6) a partner;
 - (7) a shareholder;
 - (8) a trustee;
 - (9) an agent;
 - (10) an employee;
 - (11) a contractor;
 - (12) a consultant;
 - (13) a person who holds any position of management; or
 - (14) a person who has decision or policy making authority.
- (See 17 Cal. Code § 54520(a).)

With regard to her sister's employment with In Roads Creative Programs, Inc., Ms. Stark identifies a conflict of interest. (See Regulation 54520(a)(10).) Therefore, she submits a Conflict of Interest Resolution Plan for approval. Specifically, she proposes to recuse herself on all matters pertaining to In Roads.

W&I Code Section 4622 Requirements: In addition to the requirements of Regulation 54520, W&I Code Section 4622(k) states that a member of a regional center board who is also an employee or board member of a provider of a regional center shall not:

- (1) Serve as an officer of the board;

- (2) Vote on any fiscal matter affecting the purchase of services from any regional center provider;
- (3) Vote on any issue in which the member has a financial interest under Government Code Section 87103 and determined by the regional center board.

Ms. Stark did not raise any issues under Section 4622(k).

Staff recommendation is to approve Ms. Stark's waiver request based on the fact that Ms. Stark has not previously received a waiver and the status triggering a conflict of interest is the relationship to her adult sister who performs services limited to only their brother.

COUNCIL STRATEGIC PLAN OBJECTIVE: None

PRIOR COUNCIL ACTIVITY: None

STAFF RECOMMENDATION: Staff recommendation is to approve Ms. Stark's waiver request.

ATTACHMENT: Ms. Stark's COI reporting statement and resolution plan.

PREPARED BY: Legal Counsel Natalie Bocanegra, October 28, 2015



INLAND REGIONAL CENTER

Enhancing Lives

...valuing independence, inclusion and empowerment

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AUG 19 2015

August 11, 2015

Mr. Brian Winfield, Assistant Deputy Director
Community Operations Division
Department of Developmental Services
1600 Ninth Street, Room 320 MS 3-9
Sacramento, CA 95814

Dear Mr. Winfield:

The Board of Trustees of Inland Counties Regional Center, Inc. is requesting a waiver pursuant to Title 17, Section 54523 for Sheela Stark.

Ms. Stark is a well respected member of the community and a newly appointed member to IRC's Board of Trustees. A completed Conflict of Interest Reporting Statement and a proposed Conflict of Interest Resolution Plan is attached for your review and approval.

IRC is notifying the State Council on Developmental Disabilities and SCDD San Bernardino Office as well. If you have further questions or require further information, please contact me at (909) 890-3400.

Sincerely,

Denise Woolsey
Board Secretary

DW:sg/IRC/08-11-15

Encl: Conflict of Interest Reporting Statement
Conflict of Interest Resolution Plan

Copy: ✓ Aaron Carruthers, Executive Director, SCDD
Vicki Smith, Manager, SCDD San Bernardino
Allan Smith, DDS
Sharon Jimenez, DDS
Marybeth Feild, Board President, IRC
Kevin Urtz, Interim Co-Executive Director, IRC

CONFLICT OF INTEREST REPORTING STATEMENT

DS 6016 (New 08/2012)

The duties and responsibilities of your position with the regional center require you to file this Conflict of Interest Reporting Statement. The purpose of this statement is to assist you, the regional center and the Department of Developmental Services (DDS) to identify any relationships, positions or circumstances involving you which may create a conflict of interest between your regional center duties and obligations, and any other financial interests and/or relationships that you may have. In order to be comprehensive, this reporting statement requires you to provide information with respect to your financial interests.

A "conflict of interest" generally exists if you have one or more personal, business, or financial interests, or relationships that would cause a reasonable person with knowledge of the relevant facts to question your impartiality with respect to your regional center duties. The specific circumstances and relationships which create a conflict of interest are set forth in the California Code of Regulations, title 17, sections 54500 through 54530. You should review these provisions to understand the specific financial interests and relationships that can create a conflict of interest.

Please answer the following questions to the best of your knowledge. If you find a question requires further explanation and/or there is not enough space to thoroughly answer the question, please attach as many additional sheets as necessary, and refer to the question number next to your answer. If the regional center identifies a conflict involving you, it will be required to prepare a conflict resolution plan. Some relevant definitions have been provided in the footnotes to assist you in responding to this statement.

You are required to file this Reporting Statement within 30 days of beginning your employment with the regional center or from the date that you are appointed to the regional center board or advisory committee board. You are then required to file an annual Reporting Statement by August 1st of every year while you remain employed with the regional center or while you are a member of the regional center board or advisory committee board. You must also file a Reporting Statement within 30 days of any change in your status that could result in a conflict of interest. Circumstances that can constitute a change in your status that can require you to file an updated Reporting Statement are described below in footnote one.

A. INFORMATION OF REPORTING INDIVIDUAL

Name: Sheela Stark Regional Center: Inland Regional Center

Regional Center Position/Title: Governing Board Member Executive Director
 Vendor Advisory Committee sitting on Board Employee
 Contractor Agent Consultant

Reporting Status: Annual New Appointment (date): _____
 Change of Status¹

If a change in status, date and circumstance of change in status:

1. Please list your job title and describe your job duties at the regional center.
New member of Board of Trustees.

¹ Change of status includes reporting a previously unreported activity that should have been reported, change in the circumstance of a previously reported activity, change in financial interest, familial relationship, legal commitment, change in regional center position or duties, or change to outside position or duties. See California Code of Regulations, title 17, sections 54531(d) and 54532(d).

- | |
|---|
| <input type="checkbox"/> Governing Board Member |
| <input type="checkbox"/> Vendor Advisory on Board |
| <input type="checkbox"/> Executive Director |
| <input type="checkbox"/> Employee/Other |

2. Do you or a family member² work for any entity or organization that is a regional center provider or contractor?
 yes no -- If yes, provide the name of the entity or organization and describe what services it provides for the regional center or regional center consumers. If the provider or contractor is a state or local entity, provide the specific name of the state or local entity and describe your job duties at the state or local entity.

My sister, Janet Ahmadzai, works for InRoads Creative Programs, Inc. as the preferred provider of Respite hours for my brother, Shaw Ahmadzai, a regional center client. She works part time only 40 hours per month.

3. Do you or a family member own or hold a position³ in an entity or organization that is a regional center provider or contractor? yes no -- If yes, provide the name of the entity or organization, describe what services it provides for the regional center or regional center consumers, and describe your or your family member's financial interest.

N/A

4. Are you a regional center advisory committee board member? yes no -- If yes, are you a member of the governing board or owner or employee of an entity or organization that provides services to the regional center or regional center consumers? yes no -- If yes, provide the name of the entity or organization and describe what services it provides for the regional center or regional center consumers.

N/A

5. If you are a regional center advisory committee board member and answered yes to all the questions in Question 4 above, do any of the following apply to you: (a) are you an officer of the regional center board; (b) do you vote on purchasing services from a regional center provider; or (c) do you vote on matters where you might have a financial interest? yes no -- If yes, please explain.

N/A

² Family member includes your spouse, domestic partner, parents, stepparents, grandparents, siblings, stepsiblings, children, stepchildren, grandchildren, and in-laws. See California Code of Regulations, title 17, sections 54505(f).

³ For purposes of this question, hold a position generally means that you or a family member is a director, officer, owner, partner, employee, or shareholder of an entity or organization that is a regional center provider or contractor. For a specific description of positions that create a conflict of interest in a regional center provider or contractor see the California Code of Regulations, title 17, sections 54520 and 54526.

- Governing Board Member
- Vendor Advisory on Board
- Executive Director
- Employee/Other

6. Do any of the decisions you make when performing your job duties with the regional center have the potential to financially benefit you or a family member⁴? yes no -- If yes, please explain.

Possibly, but in a very remote way.

7. Are you responsible for negotiating, making,⁵ executing or approving contracts on behalf of the regional center? yes no -- If yes, please explain.

As a Board member we approve contracts over \$250K.

8. Do you have a financial interest in any contract⁶ with the regional center? yes no -- If yes, did you negotiate, make, execute or approve the contract on behalf of the regional center? yes no -- If yes, please explain.

My sister works for InRoads.

9. Do any of your family members have a financial interest in any contract with the regional center? yes no
If yes, did you negotiate, make, execute or approve the contract on behalf of the regional center? yes no
If yes, please explain.

My sister works for InRoads.

⁴ Generally, a decision can financially benefit you or a family member if the decision can either directly or indirectly cause you or a family member to receive a financial gain or avoid a financial loss. For a specific description of the types of decisions that can result in a financial benefit to you or a family member see the California Code of Regulations, title 17, sections 54522 and 54527.

⁵ California Code of Regulations, title 17, sections 54523(b)(2) and 54528(b)(2) describes the types of conduct which constitute involvement in the making of a contract.

⁶ For purposes of questions 8 and 9, a financial interest in a contract generally means any direct or indirect interest in a contract that can cause you or a family member to receive any sort of financial gain or avoid any sort of financial loss irrespective of the dollar amount. California Code of Regulations, title 17, sections 54523 and 54528 define when financial interests in a contract will occur.

<input type="checkbox"/> Governing Board Member
<input type="checkbox"/> Vendor Advisory on Board
<input type="checkbox"/> Executive Director
<input type="checkbox"/> Employee/Other

10. Do you evaluate employment applications or contract bids that are submitted by your family member(s)?
 yes no -- If yes, please explain.

11. Your job duties require you to act in the best interests of the regional center and regional center consumers. Do you have any circumstances or other financial interests not already discussed above that would prevent you from acting in the best interests of the regional center or its consumers? yes no -- If yes, please explain.

I have a conflicts policy in place for my probono/law bono work.

B. ATTESTATION

Sheela Stark (print name) HEREBY CONFIRM that I have read and understand the regional center's Conflict of Interest Policy and that my responses to the questions in this Conflict of Interest Reporting Statement are complete, true, and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this statement is not accurate or that I have not complied with the regional center's Conflict of Interest Policy or the applicable conflict of interest laws, I will notify the regional center's designated individual immediately. I understand that knowingly providing false information on this Conflict of Interest Reporting Statement shall subject me to a civil penalty in an amount up to fifty thousand dollars (\$50,000) pursuant to Welfare and Institutions Code section 4626.

Signature *Sheela Stark* Date 07/13/15

INTERNAL USE ONLY	
Date this Statement was received by Reviewer:	
The reporting individual <input type="checkbox"/> does <input type="checkbox"/> does not have a <input type="checkbox"/> present <input type="checkbox"/> potential conflict of interest	
Signature of Designated Reviewer	Date Review Completed
<i>ES</i>	

INLAND REGIONAL CENTER
CONFLICT OF INTEREST RESOLUTION PLAN

I, Sheela Stark, Board member for the Inland Counties Regional Center Board of Trustees. As Board of Trustee Member (job title) I hereby declare that:

- I. I have read and I understand the Conflict of Interest Standards Statement for Regional Center Board members.
- II. I have reviewed my current situation in relation to the Conflict of Interest Standards Statement for Regional Center Board member and have determined the following (Place a check mark next to the applicable lettered subparagraph below.)
 - a. I have a conflict of interest, which currently exists.
 - b. I have a potential conflict of interest based upon circumstances reasonably expected to occur in the future which may result in a conflict of interest.

III. Please describe the complete nature of the conflict of interest or potential conflict of interest: _____
My sister works for In-Roads Creative Programs, Inc., as the respite provider for our brother who happens to be a consumer of Inland Regional Center.

- IV. You may request a waiver of the conflict of interest or potential conflict of interest. If you do not request a waiver of your request for a waiver is denied, your employment with the regional center cannot continue unless the conflict of interest or potential conflict of interest is eliminated.
 - a. I do /do not request a waiver of the conflict of interest or potential conflict of interest described above.

- b. If a waiver was requested, suggest the following plan of action for resolution of the present or potential conflict of interest. Described in Section III, which plan of action includes limitations on me which will enable me to avoid actions involving the conflict of interest during the period my waiver my request is being reviewed pursuant to Section 54523 of Title 17 of the California Code of Regulations:

As a Board Member I participate in debates or voting on vendor contracts. I will recuse myself on all matters pertaining to In-Roads Creative Programs, Inc.

Subsequent statements must be submitted within one year of this filing, earlier if the conflict of interest status changes.

Board Member Signature:



Date:

7/31/15

INTERNAL USE ONLY

The reporting individual: does does not have present potential conflict of Interest

Signature of Executive Director:

Date Review Completed

The reporting individual: does does not have present potential conflict of Interest

Signature of Board President:

Date Review Completed